

*Public Relations*  
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16 December 1974

MEMORANDUM FOR: D/DCI/IC

SUBJECT : Comments on Intelligence and Policymaking  
in an Institutional Context by William J.  
Barnds (November 18, 1974)

*Law*

1. On the whole the paper is a very good primer on US intelligence and its relationship to policymaking, although there are a few parts that are out of date or wrong.

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3. There are serious problems with the economic aspects of the paper. I agree with the comments on this subject presented in the memorandum from OER which I am sending along as a tab to this memo.

4. Barnds could use a little education on the so-called information explosion as regards his discussion beginning on the bottom of page 5. Our study of the flow of information shows that over the past few years the amount of paper which is disseminated

to production analysts in CIA has not increased. The amount of raw information collected by technical means has certainly increased, and the burden has fallen primarily on the processors of the raw take mainly from SIGINT and photographic collectors. Although the flow of new information to the production analyst has not grown, the inventory of information upon which he can draw continues to increase at about a constant rate.

5. What follows are several specific comments or suggestions on the text:

--The underlined statement at the bottom of page 7 dealing with the use of intelligence in planning and decisionmaking would benefit from the addition of the concept that intelligence is also used in the implementation of decisions.

--I don't see any particular benefit from introducing the archaic distinction between strategic and tactical intelligence in the last paragraph on page 9.

--Barnds impressions of the relative importance of various kinds of information to intelligence production (beginning on the bottom of page 9) are quite different from our statistical studies on the subject. This question can be viewed from at least two different perspectives: the relative volumes of information received from various types of collection, or the relative importance of various collection programs to the production of finished intelligence. Furthermore, I don't believe that Barnds discussion of sources makes clear enough the important differences that exist among the relative importance (or volume) with regard to country or topics. Whether we should educate Barnds on this I leave to you.

--On the top of page 14 Barnds says RADINT is a type of ELINT. This is not true.

--On page 17 he says that the intelligence services concentrate largely on tactical intelligence matters of interest to their particular service. Certainly this is true in the field and with respect to technical characteristics of weapon systems, but since the creation of DIA most of the intelligence work on orders of battle, military posture, and the like is done by DIA.

--The description of the contribution to national current intelligence publications presented on the bottom of page 17 is not as good as that presented on the top of page 43.

--Perhaps some of the material in the OER memo on briefing services to economic policymakers should be added to the top of page 19.

--To characterize INR's role as managing the external research program of the Intelligence Community is very misleading. At most, it surveys and monitors work related to foreign affairs. Most of the external intelligence research (measured in reports, manhours, or money) of the CIA and DoD, especially on technical and military subjects, is not even registered in INR's reporting.

--I don't agree with Barnds characterization (page 26) that there has been a trend toward increased emphasis on current intelligence reporting and the downgrading of longer-range analysis and estimates.

--I read the last third of page 29 as being Andy Marshall's views. I would advise Barnds to investigate whether this is a true reflection of what people really close to policy-makers (e.g., NSC Staff people) think about these generalizations.

--In the middle of page 32, Barnds suggests that the NSCIC might examine whether the Intelligence Community is devoting the right percentage of its resources to various topics. Your views on whether the NSCIC is the proper forum for this matter might be helpful to Barnds.



EDWARD W. PROCTOR  
Deputy Director for Intelligence

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Attachment:  
OER Memorandum

13 December 1974

MEMORANDUM FOR: Deputy Director for Intelligence

SUBJECT : Comments on Murphy Commission  
Paper on Economic Intelligence

1. The summary, para. 9, does not provide a fair description of how foreign economic policy is formulated and coordinated. While it is essentially correct that the process is relatively unstructured and still in a state of flux, CIEP and the NSC do not dominate the scene. The leading policymakers in the field of foreign economic affairs are, in fact, the Secretary of the Treasury, the Director of OMB, the Chairman of the Council of Economic Advisers, and the Executive Director of CIEP. This group meets daily as the Executive Committee of the President's Economic Policy Board. All of these officials and their respective organizations are free to, and do on a continuing basis, task the intelligence community and CIA's Office of Economic Research. Moreover, the recently established Economic Intelligence Subcommittee of the National Security Council Intelligence Committee -- chaired by an assistant secretary from Treasury and with representation at this same level from State, Commerce, Agriculture, Export-Import Bank, STR, CEA, CIEP, NSC, and CIA -- is specifically designed to provide a forum for economic intelligence consumers to express their needs.

2. The fact that many departments with economic policy responsibilities are not members of USIB does not pose a barrier to intelligence support. CIA's Office of Economic Research is tasked directly by consumers throughout the Washington economic community and all members of this community are represented as either members or associate members on the Economic Intelligence Committee of USIB. In addition, economic intelligence studies prepared by CIA are given wide distribution to interested policy officials and working-level analysts throughout Washington. CIA economic analysts and managers as well as the National

Intelligence Officer for Economics maintain extensive contacts with policy officials to ensure that CIA's product is responsive to consumer needs. The Office of Economic Research also has two officers who daily brief the Secretary of the Treasury, the Secretary of Commerce, the Chairman of the Council of Economic Advisers, and the Executive Director of CIEP on current economic intelligence developments.

3. With respect to intelligence support of government agencies responsible for licensing the export of U.S. technology, CIA works closely with the Office of Export Administration in the Department of Commerce. CIA representatives participate as intelligence consultants on all of the interagency committees that deal with the problems of trade controls.

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Acting Director  
Economic Research